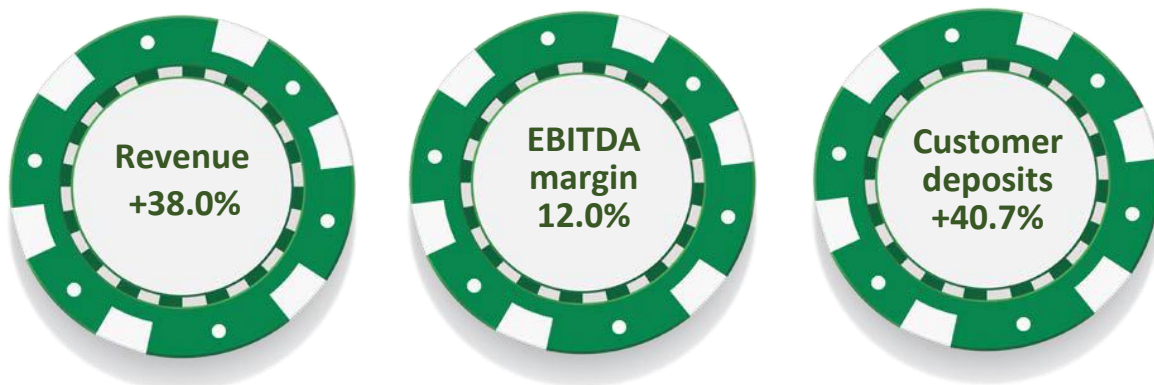




MR GREEN & Co.

EST. 2013

First quarter 2018



First quarter

- ♣ Total revenue increased by 38.0 per cent to SEK 381.0 (276.1) million.
- ♣ In local currencies, organic growth was 25.2 per cent.
- ♣ EBITDA increased by 34.0 per cent to SEK 45.8 (34.2) million.
- ♣ The EBITDA margin was 12.0 (12.4) per cent.
- ♣ Earnings per share after dilution amounted to SEK 0.48 (0.53).
- ♣ Cash flow from operating activities was SEK 101.9 (37.6) million.
- ♣ Evoke Gaming acquired – higher expected synergies.
- ♣ Several industry awards for Green Gaming.

Events after the end of the quarter

- ♣ Express registration and withdrawals introduced for Mr Green's Swedish customers.

Key performance indicators

| | 2018 | 2017 | Change % | Rolling 12 months | | Change % | 2017 |
|--|-----------|-----------|-----------|-------------------|---------|------------|---------|
| SEKm (unless stated otherwise) | Quarter 1 | Quarter 1 | Quarter 1 | 2018 | 2017 | Rolling 12 | Jan-Dec |
| Revenue | 381.0 | 276.1 | 38.0% | 1 296.9 | 982.2 | 32.0% | 1 192.0 |
| EBITDA before non-recurring items | 45.8 | 34.2 | 34.0% | 197.2 | 95.4 | 106.6% | 185.6 |
| EBITDA margin before non-recurring items (%) | 12.0% | 12.4% | -0.4 pts | 15.2% | 9.7% | 5.5 pts | 15.6% |
| Earnings before interest and tax (EBIT) | 21.3 | 19.5 | 8.9% | 117.8 | 21.8 | 439.7% | 116.0 |
| Earnings before interest and tax (EBIT), % | 5.6% | 7.1% | -1.5 pts | 9.1% | 2.2% | 6.9 pts | 9.7% |
| Net result for the period | 20.2 | 18.9 | 6.9% | 110.7 | 27.4 | 303.2% | 109.4 |
| Earnings per share after dilution, SEK | 0.48 | 0.53 | -8.9% | 2.79 | 0.77 | 264.9% | 2.75 |
| Cash flow from operating activities | 101.9 | 37.6 | 171.3% | 392.8 | 125.6 | 212.8% | 328.5 |
| Free cash flow | 17.4 | 13.7 | 27.4% | 135.0 | 50.8 | 165.7% | 131.3 |
| Deposits from customers | 1 152.8 | 819.5 | 40.7% | 3 801.6 | 2 924.8 | 30.0% | 3 468.3 |
| Depositing customers | 182 490 | 115 992 | 57.3% | 363 043 | 249 485 | 45.5% | 307 335 |



CEO'S COMMENTS

“Another very strong quarter, with growth of 38%”

For six consecutive quarters, revenues have exceeded our target of annual growth of 20 per cent. This was yet another very strong quarter, with growth of 38 per cent. In local currencies, organic growth was 25.2 per cent, up 14.4 per cent compared with the fourth quarter. Deposits increased by 40.7 per cent during the quarter and customer growth was at 57.3 per cent. This is confirmation from our customers that they like our products and brands.

The earnings improvement was strong also in this quarter. EBITDA increased by 34.0 per cent to SEK 45.8 million year on year. The EBITDA margin of 12.0 (12.4) per cent was impacted by 1.7 percentage points by the consolidation of Evoke Gaming.

Integration of Evoke Gaming exceeds plan

We acquired Evoke Gaming on 2 February and the speed of the integration process is exceeding our plan, which means that we now expect to generate synergies of about EUR 4 million. We previously estimated synergies at EUR 2.5–3.5 million. These synergies will start to be realised from the second quarter of this year, with full effect from the first half of 2019.

In February–March, Evoke Gaming reported healthy growth of 14.4 per cent and deposits rose by 26.9 per cent. Growth was particularly robust for Redbet at 128.2 per cent. Evoke Gaming charged Group EBITDA with SEK 3.8 million in the quarter. We expect that Evoke Gaming will recognise a positive result latest in the third quarter of this year.

Strong growth for live casino

Our innovative Live Beyond Live casino launched at the start of February was well received by our customers. Revenue from NetEnt's live product in the first quarter was higher than total revenue from NetEnt's live product in 2017.

Positive reception in Denmark

Following the launch of Mr Green in Denmark at the end of last year, we can state that the Danes have given us a warm welcome. The growth in deposits and new customers was in line with our plan. We also recently launched pay bingo for our Danish customers through BingoSjov and BingoSlottet. Furthermore, Mr Green intends to introduce the Sportsbook in Denmark ahead of the World Cup.

Eagerly anticipated gaming bill from Swedish government

Our strategy is to prioritise growth in countries that have regulated the market for iGaming. It is positive that the Swedish government has finally presented its bill for the gaming market. The proposal entails that clear and equal rules will

apply to everyone in the industry, with a strong focus on Green Gaming, which we welcome. In Norway, discussions about regulations took a different direction and accordingly we decided to reduce our exposure there over time. Norway represented less than 5 per cent of our total revenue in the first quarter.

Our revenue in Sweden comprised 16.5 per cent of total revenue in the first quarter. The impact of Swedish betting duties will be lower than the proposed level of 18 per cent since we expect positive effects on the cost side from, for example, a changed media mix and shared costs with our suppliers.

Several industry awards for Green Gaming

Our Green Gaming tool has undoubtedly become a success among our customers. It is also gratifying that we have received several significant industry awards for our work on Green Gaming. In the quarter, we were named Corporate Responsible Provider of the Year at the Global Gaming Awards in London 2018 and Social Responsible Operator of the Year 2018 at the International Gaming Awards (IGA).

Express registration and withdrawals for Mr Green customers

In April, Mr Green launched express registration and withdrawals where Swedish players can register using their BankID and make withdrawals in less than five minutes. We will introduce similar products in other markets and for other brands during the year. Alongside Live Beyond Live and our tool for Green Gaming, this confirms that we are at the forefront of product development in iGaming.

Continued favourable outlook

We have a unique, competitive customer offering and see a continued favourable outlook. The second quarter started strongly. We also have a robust financial position, with scope for additional acquisitions. Cash flow was strong in the quarter and cash and cash equivalents increased to SEK 637 million, despite the payment for Evoke Gaming.

We will arrange a Capital Markets Day at our new premises in Epicenter, Stockholm, on Wednesday, 23 May, where we will present our strategy for continued growth and improved profitability. With our focus on innovation and Green Gaming, we command a strong position in the global iGaming market.

Per Norman
CEO

First quarter 2018

Total revenue

Revenue increased by 38.0 per cent to SEK 381.0 (276.1) million during the quarter compared with the year-earlier period.

| Change in total revenue (%) | First quarter |
|------------------------------------|---------------|
| Organic growth in local currencies | 25.2 |
| Acquisitions | 9.2 |
| Translation differences | 3.6 |
| Total | 38.0 |

The strong growth in revenue was the result of digitally driven customer communication and an attractive, unique product offering. Most of the growth is attributable to casino games and live casino. The share of revenue from gaming on mobile devices increased to 56.0 (50.2) per cent.

Customer deposits and customer growth

From this quarter, the Group reports depositing customers, new depositing customers and returning depositing customers.

Customer deposits rose by 40.7 per cent on the year-earlier quarter to SEK 1,152.8 million. The increase compared with the preceding quarter was 17.3 per cent.

Depositing customers rose by 57.3 per cent to 182,490 people. The increase compared with the preceding quarter was 25.7 per cent.

New depositing customers rose by 75.6 per cent to 80,691 people. The increase compared with the preceding quarter was 40.4 per cent.

Returning depositing customers rose by 45.4 per cent to 101,799 people. The increase compared with the preceding quarter was 16.0 per cent.

Revenue by market area

The Group continued to strengthen its market position in large parts of Europe. Revenue in Western Europe increased by 58.7 per cent to SEK 169.9 (107.0) million year on year, with robust growth in all markets. Revenue for Central, Eastern and Southern Europe increased by 19.3 per cent to SEK 83.4 (69.9) million, due to good growth in Austria. Comparison is impacted by the closure of the operations in Poland and the Czech Republic in the first half of 2017. Revenue in the Nordic region increased by 29.8 per cent to SEK 121.1 (93.3) million due to good growth in Sweden and Finland and the launch of Mr Green in Denmark in December 2017. Revenue in the Rest of the World rose by 11.1 per cent from low volumes to SEK 6.6 (5.9) million.

Growth on the preceding quarter

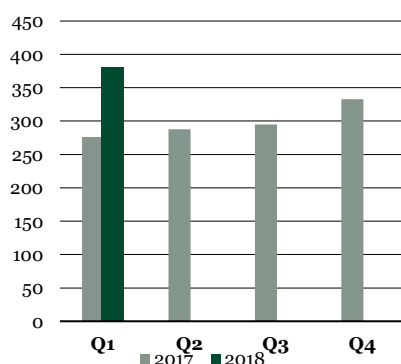
Total revenue increased by 14.4 per cent to SEK 333.0 million compared with the preceding quarter. In Western Europe, growth was 16.4 per cent, with a particularly strong trend in the UK. Central, Eastern and Southern Europe grew by 11.0 per cent due to a favourable performance in Austria. In the Nordic region, revenue rose by 17.4 per cent, impacted by the consolidation of Evoke Gaming, the launch of Mr Green in Denmark and healthy growth for Mr Green in Finland. Rest of the World declined by 25.0 per cent from the preceding quarter.

Revenue from markets with local taxes

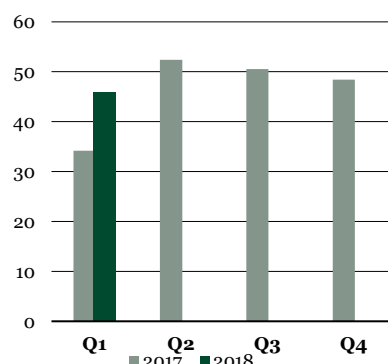
From this quarter, the Group reports the share of revenue from regulated markets, markets that are in the process of being regulated and markets in which the Group pays VAT or makes provisions for betting duties.

The share of revenue from regulated markets increased to 12.9 (10.5) per cent in the quarter compared with the first quarter of 2017. The share of revenue from markets that are in the process of being regulated increased to 23.0 (22.2) per cent. The share of revenue from markets in which the Group pays VAT or makes provisions for betting duties declined to

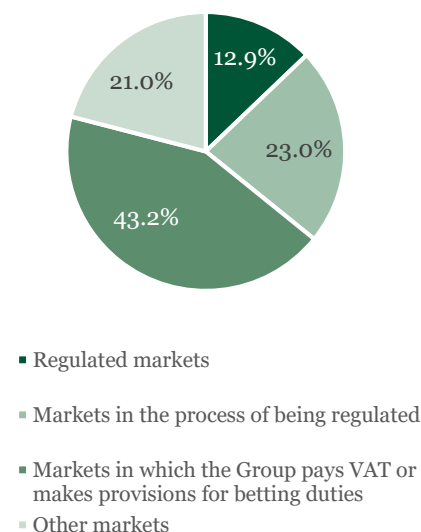
Revenue (SEKm)



EBITDA (SEKm)



Specification of revenue, Q1



43.2 (43.7) per cent. The share of revenue from other markets fell to 21.0 (23.6) per cent. The total share of revenue from regulated markets and markets in which the Group pays VAT or makes provisions for betting duties increased to 56.1 per cent from 54.2 in the first quarter of 2017.

Costs

Cost of services sold

Cost of services sold rose by 45.1 per cent to SEK 132.2 (91.1) million year on year. Cost of services sold increased by 1.7 percentage points to 34.7 (33.0) per cent in relation to revenue. The relative increase was due to the consolidation of Evoke Gaming and solid growth in markets in which the Group pays local betting duties or VAT or makes reserves for betting duties. Cost of services sold was also impacted by demand for high-cost games, such as live casino.

Betting duties

Total betting duties including interest rose 41.9 per cent to SEK 62.0 (43.7) million. As a proportion of revenue, total betting duties increased to 16.3 (15.8) per cent. Betting duties including interest attributable to Austria amounted to 9.9 (10.8) per cent of revenue.

Marketing costs

Marketing costs increased by 27.4 per cent to SEK 127.5 (100.0) million year on year. Marketing costs declined by 2.7 percentage points to 33.5 (36.2) per cent in relation to revenue. In the preceding quarter, marketing costs amounted to 34.9 per cent in relation to revenue. The Group has previously announced that marketing costs as a percentage of revenue will increase in the near future due to the launch of new products and the introduction in Denmark. Digital marketing has proven to be effective and the absolute increase in marketing costs was sufficient to generate strong growth. Marketing costs in the second quarter will be impacted due to the World Cup.

Other operating expenses

Personnel costs increased by 45.8 per cent to SEK 48.3 (33.1) million year on year. Personnel costs in relation to revenue rose by 0.7 percentage points to 12.7 (12.0) per cent from the year-earlier period, and by 0.9 percentage points from the preceding quarter, which was due to the consolidation of Evoke Gaming.

Other operating expenses increased by 51.4 per cent to SEK 51.2 (33.8) million. Other operating expenses increased to 13.4 (12.3) per cent in relation to revenue from the first quarter of 2017. The relative share of other operating expenses decreased from 14.2 per cent in the preceding quarter.

Capitalised costs

Capitalised costs rose by 48.7 per cent to SEK 24.1 (16.2) million. Capitalised costs increased due to the continued development of the technology platform and new products. The share in relation to revenue declined from 6.8 per cent in the preceding quarter to 6.3 per cent.

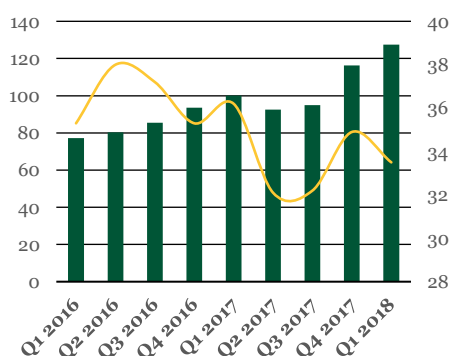
EBITDA

EBITDA increased by 34.0 per cent to SEK 45.8 (34.2) million. The EBITDA margin fell by 0.4 percentage points to 12.0 (12.4) per cent year on year. The EBITDA margin was impacted by 1.7 percentage points as a result of the consolidation of Evoke Gaming and solid growth in markets in which the Group pays local betting duties or VAT or makes provisions for betting duties as well as demand for high-cost games.

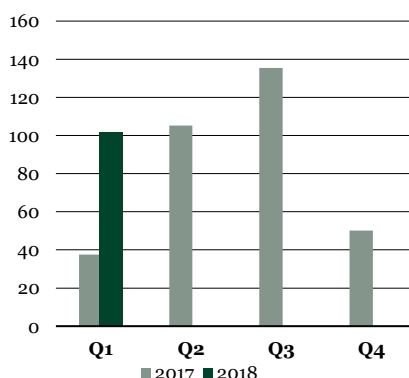
Depreciation and amortisation

Depreciation rose by 67.5 per cent to SEK 24.5 (14.7) million, as a result of acquisitions and ongoing investments in the technology platform and new products. Amortisation of customer contracts from the acquisitions of Dansk Underholdning and Evoke Gaming are included in an amount of SEK 2.6 (0.0) million. The amortisation period for customer contracts is two years. Other depreciation related to acquisitions amounted to SEK 2.8 million in the quarter.

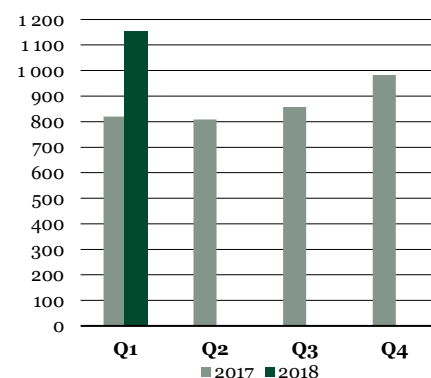
Marketing (SEKm) and marketing/revenue (%)



Cash flow from operating activities (SEKm)



Customer deposits (SEKm)



EBIT

EBIT increased by 8.9 per cent to SEK 21.3 (19.5) million and the EBIT margin was 5.6 (7.1) per cent.

Net financial income and tax

Net financial income was SEK -0.1 (0.0) million. The tax expenses were SEK -1.1 (-0.7) million.

Net result for the period

Net result for the period rose by 6.9 per cent to SEK 20.2 (18.9) million.

Cash flow

Cash flow from operating activities for the quarter amounted to SEK 101.9 million (37.6). The change in working capital impacted cash flow by SEK 17.5 (-27.5) million. Betting duties in Austria impacted cash flow by SEK 37.3 (30.1) million. Cash flow from investing activities amounted to SEK -84.5 (-23.9) million and was impacted by the acquisition of Evoke Gaming in a net amount of SEK -49.7 million.

Financial position

The company has no liabilities to credit institutions. Cash and cash equivalents on 31 March 2018 amounted to SEK 637.4 (280.1) million. The increase was primarily due to the new share issue in June 2017 and positive cash flow from operations. Balances on customer accounts totalled SEK 73.1 (35.2) million. Due to the regulations of gaming authorities,

this amount limits utilisation of the company's cash and cash equivalents.

Consolidated equity at the end of the quarter was SEK 1,089.6 (728.0) million, corresponding to SEK 26.67 (20.31) per share. Deposits from customers increased by 40.7 per cent during the first quarter to SEK 1,152.8 (819.5) million.

Other information

Personnel

At the end of the period, the Group had 324 (211) employees. The average number of full-time equivalents in the quarter was 280 (205), of which 235 (169) were based in Malta. At the end of the period, the Group had 61 (37) consultants employed on full-time contracts.

Acquisition of Evoke Gaming

The acquisition of Evoke Gaming was announced on 18 December and completed on 2 February. The purchase consideration amounted to EUR 7 million and was paid in cash. An additional purchase consideration of EUR 1.5 million may be payable if certain conditions are met. The price is calculated on a debt-free basis.

Evoke Gaming is expected to recognise a positive result in the third quarter of 2018. There will be a marginally negative impact on cash flow, excluding the purchase consideration, in 2018. The Group expects to achieve synergies of approximately EUR 4 million per year with full effect in the first half of 2019.

In 2017, Evoke Gaming's revenue amounted to EUR 10.4 (15.5) million and EBITDA to EUR -5.8 (-4.6) million. In 2017, revenue and earnings were negatively impacted by the migration to a new technology platform and restructuring measures. In February–March 2018, Evoke Gaming's revenue increased by 14.4 per cent to EUR 2.0 million year on year. Customer deposits rose by 26.9 per cent to SEK 8.1 million during the same period. At the time of acquisition, Evoke Gaming had 80 employees and the number of customers was 29,012.

Events after the end of the reporting period

Express registration and withdrawals introduced for Mr Green's Swedish customers.

Outstanding shares and options

The company holds no treasury shares. The total number of shares and votes outstanding in Mr Green & Co AB is 40,849,413.

Following a resolution at the Annual General Meeting on 21 April 2016, the company issued 1,020,000 warrants to senior executives and 360,000 warrants to the members of the

Board of Directors. As of 31 March 2018, senior executives had acquired 920,000 warrants and the Board members had acquired 320,000 warrants at a market price. The exercise period is 22 April 2019 – 22 May 2019.

Related-party transactions

The Group did not have any transactions with related parties during the quarter.

Industry awards 2018

- ♣ Corporate Responsible Provider of the Year at the Global Gaming Awards in London 2018.
- ♣ Social Responsible Operator of the Year 2018 at the International Gaming Awards (IGA).

Mr Green contests tax liability in Austria

The company has contested its tax liability by reference to the Austrian Constitution as well as EU legislation and has initiated an appeal process at an Austrian court and submitted a complaint to the European Commission. Most of the other gaming operators have initiated similar processes in Austria.

For the period January 2011 through August 2014, the company submitted a self-assessment and also paid the amount according to a payment plan agreed with the Austrian tax authorities. From September 2014 until the tax case has been finally resolved in court, the company reports gaming revenue related to Austria to the Austrian tax authorities (subject to the existing defects in the legislation, which the company has contested), but declares a total tax amount of SEK 0, meaning that no payment of tax has been made, except for September 2014, which was paid in November 2017.

In view of the uncertain legal situation, which involves ongoing, and most likely protracted, legal processes in Austria and the EU, as well as the current political agenda, including a potential sale of the monopoly, the company has decided, all things considered, to make ongoing provisions covering the potential tax, including interest, in the income statement, in cost of services sold.

In total, the betting duties for Austria are recognised as follows:

| | |
|--|----------|
| <i>kSEK</i> | |
| Total provision up to and including 31 Dec 2017 | 443,222 |
| Total paid up to and including 31 Dec 2017 | -113,018 |
| Total translation difference up to and including 31 Dec 2017 | 8,916 |
| Closing balance 31 Dec 2017 | 339,120 |
| Total provision 1 Jan 2018 – 31 Mar 2018 | 37,688 |
| Translation difference for the period | 16,510 |

Net provision, 31 March 2018 393,318

The tax for the self-assessment period and subsequent provisions total SEK 480.6 million as at 31 March 2018 and have had a negative impact on earnings in the same amount for the period 2014 to the first quarter of 2018. Mr Green has completed a payment plan based on the self-assessment submitted to the Austrian tax authorities in September 2014, which means that the payments of the self-assessment amount were completed in September 2016. Mr Green has previously communicated that the company was involved in negotiations regarding certain elements of the tax dispute in Austria at the court of first instance in summer 2017. As expected, Mr Green lost its case at the court of first instance and as part of the company's process to apply for a permit at the Constitutional Court, the company paid tax for September 2014 in November 2017. The request for a permit at the Constitutional Court was rejected in April 2018. The dispute will be heard by the High Court of Administration for which a permit has been granted.

Due to the uncertainty regarding the calculation of the betting duties, the aforementioned amount is calculated on the basis of Mr Green's understanding of how the betting duties may be calculated. There is a risk that Mr Green will lose the tax dispute or that the amounts may be adjusted to higher amounts than what the company has calculated. Any future payment of the provision, in the event of a negative court decision, is expected to be possible over time from operating cash flow.

Webcast presentation

A webcast presentation of Mr Green & Co AB's report for the first quarter of 2018 will take place on Friday, 27 April at 10:00 a.m. CEO Per Norman and CFO Simon Falk will present the report, followed by an opportunity to ask questions. The presentation will be held in English and webcast live on mrg.se or on <http://www.investis-live.com/mr-green/5ab244df80a67515000a73e0/msmm>.

To participate in the presentation by telephone, call:

From Sweden: +46 (0)10 884 80 16

From the UK: +46 (0)20 3936 2999

From other countries: +44 20 3936 2999

The code for the webcast is 26 36 09. Make sure that you are connected to the teleconference by calling in and registering

shortly before the presentation begins. Presentation materials will be published on the website mrg.se after the meeting, and an audio recording of the presentation itself will also be available.

Review

This report has not been subject to review by the company's auditors.

2018 Annual General Meeting

The AGM of Mr Green & Co AB will be held on Monday, 7 May, at 4:00 p.m., at Epicenter, Mäster Samuelsgatan 36, Stockholm, Sweden.

The notice and other documentation relating to the Annual General Meeting are available from the website mrg.se.

Capital Markets Day

We will arrange a Capital Markets Day at Epicenter, Mäster Samuelsgatan 36 on Wednesday, 23 May between 1:00 and 5:00 p.m. The Capital Markets Day will be broadcast live on mrg.se and financialhearings.com. Register attendance not later than Monday, 21 May, to ase.lindskog@mrg.se.

Financial calendar

- ♣ 7 May, Annual General Meeting in Stockholm
- ♣ 23 May, Capital Markets Day in Stockholm
- ♣ 20 July, Second-quarter report 2018
- ♣ 26 October, Third-quarter report 2018
- ♣ 8 February 2019, Year-end report 2018

For further information, please contact:

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Mr Green & Co AB (publ)
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Registered office: Stockholm, Sweden
Corporate Registration Number: 556883-1449
www.mrg.se

This information is information that Mr Green & Co AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 27 April 2018 at 8:00 a.m. CET.

The Board of Directors and Chief Executive Officer warrant and declare that this interim report gives a true and fair view of the Parent Company's and Group's operations, financial positions and results, and that it describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 27 April 2018

Kent Sander
Chairman

Henrik Bergquist
Board member

Andrea Gisle Joosen
Board member

Eva Lindqvist
Board member

Danko Maras
Board member

Tommy Trollborg
Board member

Per Norman
CEO

Condensed consolidated income statement

| | 2018 | 2017 | Rolling | 2017 |
|--|---------------|---------------|----------------|----------------|
| SEK '000 | Quarter 1 | Quarter 1 | 12 months | Jan-Dec |
| Revenue | 380,972 | 276,129 | 1,296,876 | 1,192,033 |
| Cost of services sold | -132,229 | -91,139 | -417,351 | -376,261 |
| Capitalised costs | 24,068 | 16,184 | 87,920 | 80,037 |
| Marketing | -127,487 | -100,048 | -431,289 | -403,850 |
| Personnel costs | -48,258 | -33,095 | -158,744 | -143,581 |
| Other operating expenses | -51,236 | -33,831 | -180,210 | -162,805 |
| EBITDA before non-recurring items | 45,829 | 34,200 | 197,201 | 185,572 |
| Non-recurring items | — | — | — | — |
| EBITDA after non-recurring items | 45,829 | 34,200 | 197,201 | 185,572 |
| Depreciation and amortisation | -24,540 | -14,651 | -79,418 | -69,529 |
| Earnings before interest and tax (EBIT) | 21,289 | 19,548 | 117,784 | 116,043 |
| Financial income | 4 | 1 | -87 | -90 |
| Financial expenses | -59 | -1 | -404 | -346 |
| Result before tax | 21,234 | 19,549 | 117,293 | 115,608 |
| Income tax | -1,076 | -693 | -6,635 | -6,252 |
| Net result for the period | 20,158 | 18,856 | 110,657 | 109,355 |
| <i>Result for the period attributable to:</i> | | | | |
| - Shareholders of the parent company | 20,158 | 18,856 | 110,657 | 109,355 |
| Weighted average number of shares | 40,849,413 | 35,849,413 | 38,374,438 | 38,575,440 |
| Earnings per share before dilution, SEK | 0.49 | 0.53 | 2.88 | 2.83 |
| Weighted average number of shares after dilution | 42,089,413 | 35,849,413 | 39,614,438 | 39,815,440 |
| Earnings per share after dilution, SEK | 0.48 | 0.53 | 2.79 | 2.75 |
| <u>Included in cost of services sold:</u> | | | | |
| Betting duties Austria (excl interest) | -33,997 | -27,509 | -118,671 | -112,182 |
| Interest of betting duties Austria | -3,691 | -2,449 | -12,581 | -11,339 |
| Betting duties other markets | -24,293 | -13,733 | -69,386 | -58,827 |

Condensed consolidated statement of comprehensive income

| | 2018 | 2017 | Rolling | 2017 |
|--|---------------|---------------|----------------|----------------|
| SEK '000 | Quarter 1 | Quarter 1 | 12 months | Jan-Dec |
| Net result for the period | 20,158 | 18,856 | 110,657 | 109,355 |
| <i>Other comprehensive income:</i> | | | | |
| <i>Items which can be subsequently re-classified to profit/loss:</i> | | | | |
| - Foreign exchange differences on consolidation | 38,311 | -1,508 | 64,842 | 25,023 |
| Other comprehensive income for the period | 38,311 | -1,508 | 64,842 | 25,023 |
| Comprehensive income for the period | 58,469 | 17,348 | 175,499 | 134,378 |
| <i>Comprehensive income for the period attributable to:</i> | | | | |
| - Shareholders of the parent company | 58,469 | 17,348 | 175,499 | 134,378 |

Condensed consolidated balance sheet

| | 2018 | 2017 | 2017 |
|--------------------------------------|------------------|------------------|------------------|
| SEK '000 | 31 Mar | 31 Mar | 31 Dec |
| Customer contracts | 22,002 | 0 | 5,910 |
| Brands | 371,584 | 303,578 | 322,088 |
| Other intangible assets | 183,119 | 102,568 | 134,706 |
| Goodwill | 700,560 | 521,967 | 624,727 |
| Equipment | 12,864 | 4,293 | 9,045 |
| Deferred tax asset | 236 | 368 | 236 |
| Non-current assets | 1,290,365 | 932,774 | 1,096,711 |
| Current income tax assets | – | 3,826 | – |
| Other receivables | 23,446 | 13,565 | 23,577 |
| Prepaid expenses and accrued income | 21,320 | 9,238 | 20,495 |
| Cash and cash equivalents | 637,420 | 280,148 | 597,711 |
| Current assets | 682,185 | 306,777 | 641,784 |
| Total assets | 1,972,550 | 1,239,550 | 1,738,495 |
| Share capital | 40,849 | 35,849 | 40,849 |
| Share premium reserve | 865,170 | 684,037 | 865,170 |
| Translation reserve | 154,428 | 83,841 | 110,371 |
| Retained earnings | 29,149 | -75,765 | 14,736 |
| Equity | 1,089,596 | 727,964 | 1,031,127 |
| Deferred tax liability | 140,266 | 112,034 | 117,254 |
| Betting duties Austria | 393,318 | 241,630 | 339,120 |
| Non-current liabilities | 533,584 | 353,664 | 456,374 |
| Trade payables | 34,428 | 31,116 | 57,896 |
| Customer accounts | 73,058 | 35,209 | 45,400 |
| Other current liabilities | 55,747 | 15,845 | 33,732 |
| Tax liabilities | 1,184 | – | 1,339 |
| Accrued expenses and deferred income | 184,953 | 75,752 | 112,628 |
| Current liabilities | 349,370 | 157,923 | 250,995 |
| Total equity and liabilities | 1,972,550 | 1,239,550 | 1,738,495 |

Condensed consolidated statement of changes in equity

| | 2018 | 2017 | 2017 |
|---|------------------|----------------|------------------|
| SEK '000 | Quarter 1 | Quarter 1 | Jan-Dec |
| Equity at beginning of period | 1,031,127 | 710,466 | 710,466 |
| Net result for the period | 20,158 | 18,856 | 109,355 |
| <i>Other comprehensive income:</i> | | | |
| - Foreign exchange differences on consolidation | 38,311 | -1,508 | 25,023 |
| Total comprehensive income | 58,469 | 17,348 | 134,379 |
| <i>Transactions with owners:</i> | | | |
| - Warrant premiums | — | 150 | 282 |
| - Share issue | — | — | 195,000 |
| - Cost of share issue | — | — | -9,000 |
| Total transactions with owners | — | 150 | 186,282 |
| Equity at end of period | 1,089,596 | 727,964 | 1,031,127 |

Condensed consolidated cash flow statement

| | 2018 | 2017 | Rolling | 2017 |
|---|----------------|----------------|-----------------|-----------------|
| SEK '000 | Quarter 1 | Quarter 1 | 12 months | Jan-Dec |
| Earnings before interest and tax (EBIT) | 21,289 | 19,548 | 117,784 | 116,043 |
| <i>Adjusted for:</i> | | | | |
| - Depreciation and amortisation | 24,540 | 14,651 | 79,418 | 69,529 |
| - Unrealised foreign exchange differences, net | 2,955 | 679 | 5,654 | 3,377 |
| - Betting duties Austria | 37,255 | 30,148 | 129,809 | 117,382 |
| Changes in working capital | 17,546 | -27,518 | 73,950 | 28,885 |
| Income tax paid | -1,615 | 52 | -8,103 | -6,437 |
| Interest income | 4 | 1 | -88 | -90 |
| Interest expense | -59 | -1 | -284 | -225 |
| Cash flow from operating activities | 101,916 | 37,561 | 392,820 | 328,465 |
| <i>Cash flow from investing activities:</i> | | | | |
| - Payment, acquisition of subsidiary/assets and liabilities | -90,468 | – | -182,458 | -91,991 |
| - Acquired cash and cash equivalents | 40,801 | – | 47,112 | 6,311 |
| - Acquisition of intangible assets | -32,322 | -23,806 | -113,276 | -104,761 |
| - Acquisition of property, plant and equipment | -2,518 | -92 | -9,155 | -6,728 |
| Cash flow from investing activities | -84,506 | -23,898 | -257,777 | -197,168 |
| <i>Cash flow from financing activities:</i> | | | | |
| - Issuing new shares | – | – | 186,000 | 186,000 |
| - Warrant premiums | – | 150 | 133 | 282 |
| Cash flow from financing activities | – | 150 | 186,132 | 186,282 |
| Change in cash and cash equivalents | 17,409 | 13,813 | 321,175 | 317,579 |
| Foreign exchange differences | 22,299 | -572 | 36,096 | 13,225 |
| Cash and cash equivalents at the beginning of the period | 597,711 | 266,908 | 280,148 | 266,908 |
| Cash and cash equivalents at the end of the period | 637,420 | 280,148 | 637,420 | 597,711 |

Condensed income statement per quarter

| | 2018 | 2017 | 2017 | 2017 | 2017 | 2016 | 2016 | 2016 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| SEK '000 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Revenue | 380,972 | 332,993 | 295,100 | 287,811 | 276,129 | 264,951 | 229,861 | 211,218 |
| Cost of services sold | -132,229 | -104,107 | -93,707 | -87,308 | -91,139 | -92,680 | -77,440 | -70,237 |
| Capitalised costs | 24,068 | 22,587 | 20,582 | 20,683 | 16,184 | 15,578 | 12,302 | 14,910 |
| Marketing | -127,487 | -116,362 | -94,912 | -92,527 | -100,048 | -93,509 | -85,522 | -80,265 |
| Personnel costs | -48,258 | -39,266 | -36,029 | -35,190 | -33,095 | -34,747 | -34,126 | -32,139 |
| Other operating expenses | -51,236 | -47,422 | -40,472 | -41,080 | -33,831 | -27,719 | -27,718 | -31,489 |
| EBITDA before non-recurring items | 45,829 | 48,423 | 50,562 | 52,387 | 34,200 | 31,874 | 17,357 | 11,998 |
| Non-recurring items | – | – | – | – | – | -11,738 | -4,072 | – |
| EBITDA after non-recurring items | 45,829 | 48,423 | 50,562 | 52,387 | 34,200 | 20,136 | 13,285 | 11,998 |
| Depreciation and amortisation | -24,540 | -19,732 | -18,256 | -16,889 | -14,651 | -14,661 | -13,373 | -15,110 |
| Earnings before interest and tax (EBIT) | 21,289 | 28,691 | 32,305 | 35,498 | 19,548 | 5,475 | -88 | -3,112 |
| Financial income | 4 | -82 | -10 | 1 | 1 | 132 | 81 | -27 |
| Financial expenses | -59 | -61 | -275 | -8 | -1 | -1 | -3 | -4 |
| Result before tax | 21,234 | 28,548 | 32,020 | 35,491 | 19,549 | 5,605 | -10 | -3,144 |
| Income tax | -1,076 | -1,671 | -1,398 | -2,491 | -693 | 8,565 | -866 | -1,561 |
| Net result for the period | 20,158 | 26,877 | 30,622 | 33,000 | 18,856 | 14,170 | -876 | -4,705 |
| Weighted average number of shares | 40 849 413 | 40 849 413 | 40 849 413 | 36 673 589 | 35 849 413 | 35 849 413 | 35 849 413 | 35 849 413 |
| Earnings per share before dilution, SEK | 0.49 | 0.66 | 0.75 | 0.90 | 0.53 | 0.40 | -0.02 | -0.13 |
| Earnings per share before dilution, SEK | 42 089 413 | 42 089 413 | 42 109 413 | 36 673 589 | 35 849 413 | 35 849 413 | 35 849 413 | 35 849 413 |
| Earnings per share after dilution, SEK | 0.48 | 0.64 | 0.73 | 0.90 | 0.53 | 0.40 | -0.02 | -0.13 |
| <u>Included in cost of services sold:</u> | | | | | | | | |
| Betting duties Austria (excl interest) | -33,997 | -30,275 | -28,149 | -26,249 | -27,509 | -25,922 | -21,682 | -19,022 |
| Interest of betting duties Austria | -3,691 | -3,306 | -2,942 | -2,643 | -2,449 | -2,176 | -2,193 | -2,265 |
| Betting duties other markets | -24,293 | -15,088 | -15,176 | -14,829 | -13,733 | -10,885 | -10,284 | -8,596 |

Non-recurring items 2016 refer to activities for listing on Nasdaq Stockholm.

Condensed summary of key performance measures

| | 2018 Q1 | 2017 Q4 | 2017 Q3 | 2017 Q2 | 2017 Q1 | 2016 Q4 | 2016 Q3 | 2016 Q2 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenue | | | | | | | | |
| Revenue growth, per quarter (%) | 14.4% | 12.8% | 2.5% | 4.2% | 4.2% | 15.3% | 8.8% | -3.3% |
| Revenue growth compared with the previous year (%) | 38.0% | 25.7% | 28.4% | 36.3% | 26.4% | 31.8% | 14.0% | 8.4% |
| Organic growth in local currencies compared with the previous | 25.2% | 24.0% | 26.2% | 30.5% | 25.0% | 29.9% | 16.0% | 11.1% |
| Acquired growth compared with the previous year (%) | 9.2% | 2.1% | 2.6% | 2.2% | — | — | — | — |
| Currency effect compared to the previous year (%) | 3.6% | -0.4% | -0.4% | 3.6% | 1.4% | 1.9% | -2.0% | -2.7% |
| Revenue Mobile (% of revenue) | 56.0% | 51.2% | 50.9% | 48.1% | 50.2% | 47.4% | 43.3% | 42.8% |
| Profitability | | | | | | | | |
| Cost of services sold (% of revenue) | 34.7% | 31.3% | 31.8% | 30.3% | 33.0% | 35.0% | 33.7% | 33.3% |
| Cost of services sold excluding betting duties (% of revenue) | 18.4% | 16.6% | 16.1% | 15.1% | 17.2% | 20.3% | 18.8% | 19.1% |
| Marketing (% of revenue) | 33.5% | 34.9% | 32.2% | 32.1% | 36.2% | 35.3% | 37.2% | 38.0% |
| Personnel costs (% of revenue) | 12.7% | 11.8% | 12.2% | 12.2% | 12.0% | 13.1% | 14.8% | 15.2% |
| Other operating expenses (% of revenue) | 13.4% | 14.2% | 13.7% | 14.3% | 12.3% | 10.5% | 12.1% | 14.9% |
| EBITDA margin before non-recurring items (%) | 12.0% | 14.5% | 17.1% | 18.2% | 12.4% | 12.0% | 7.6% | 5.7% |
| EBITDA margin after non-recurring items (%) | 12.0% | 14.5% | 17.1% | 18.2% | 12.4% | 7.6% | 5.8% | 5.7% |
| EBIT margin (%) | 5.6% | 8.6% | 10.9% | 12.3% | 7.1% | 2.1% | 0.0% | -1.5% |
| Financial position and Cash flow | | | | | | | | |
| Investments in non-current assets | 34 840 | 33 434 | 28 078 | 26 079 | 23 898 | 19 455 | 15 051 | 16 330 |
| Equity/assets ratio (%) | 55.2% | 59.3% | 59.4% | 61.4% | 58.7% | 58.0% | 59.7% | 60.0% |
| Earnings per share before dilution, SEK | 0.49 | 0.66 | 0.75 | 0.90 | 0.53 | 0.40 | -0.02 | -0.13 |
| Earnings per share after dilution, SEK | 0.48 | 0.64 | 0.73 | 0.90 | 0.53 | 0.40 | -0.02 | -0.13 |
| Return on equity (%) | 2.0% | 2.8% | 3.3% | 4.2% | 2.7% | 0.8% | 0.0% | -0.5% |
| Equity per share (SEK) | 26.67 | 25.24 | 23.97 | 23.45 | 20.31 | 19.82 | 19.57 | 19.13 |
| Cash flow from operating activities per share (SEK) | 2.49 | 1.23 | 3.32 | 2.87 | 1.05 | 1.51 | 0.64 | 0.30 |
| Free cash flow per share (SEK) | 0.43 | 0.41 | 2.63 | -0.18 | 0.38 | 0.97 | 0.22 | -0.16 |
| Employees | | | | | | | | |
| Average number of employees | 280 | 236 | 224 | 212 | 205 | 194.5 | 183 | 170 |
| Number of employees at the end of the period | 324 | 239 | 229 | 215 | 211 | 205 | 192 | 181 |

Non-recurring items 2016 refer to activities for listing on Nasdaq Stockholm.

Revenue by region

| SEK '000 | 2018 | 2017 | Vari- | Rolling 12 months | | Vari- | 2017 |
|--------------------------------------|-----------|-----------|-------|-------------------|---------|-------|-----------|
| | Quarter 1 | Quarter 1 | ance% | 2018 | 2017 | ance% | Jan-Dec |
| Revenue by region | | | | | | | |
| Nordic Region | 121 122 | 93 308 | 29.8% | 418 150 | 353 724 | 18.2% | 390 336 |
| Western Europe | 169 905 | 107 030 | 58.7% | 552 160 | 343 091 | 60.9% | 489 285 |
| Central, Eastern and Southern Europe | 83 386 | 69 889 | 19.3% | 299 207 | 262 829 | 13.8% | 285 711 |
| Rest of the World | 6 559 | 5 902 | 11.1% | 27 358 | 22 515 | 21.5% | 26 701 |
| Total | 380 972 | 276 129 | 38.0% | 1 296 876 | 982 159 | 32.0% | 1 192 033 |

Revenue by region and quarter

| | 2018 | 2017 | 2017 | 2017 | 2017 | 2016 | 2016 | 2016 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| SEK '000 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Revenue by region | | | | | | | | |
| Nordic Region | 121,122 | 103,213 | 100,147 | 93,668 | 93,308 | 88,887 | 86,578 | 84,951 |
| Western Europe | 169,905 | 145,912 | 117,625 | 118,719 | 107,030 | 93,401 | 76,881 | 65,778 |
| Central, Eastern and Southern Europe | 83,386 | 75,125 | 70,693 | 70,004 | 69,889 | 75,280 | 63,879 | 53,781 |
| Rest of the World | 6,559 | 8,744 | 6,635 | 5,420 | 5,902 | 7,383 | 2,523 | 6,708 |
| Total | 380,972 | 332,993 | 295,100 | 287,811 | 276,129 | 264,951 | 229,861 | 211,218 |
| Share of revenue by region (%) | | | | | | | | |
| Nordic Region | 31.8% | 31.0% | 33.9% | 32.5% | 33.8% | 33.5% | 37.7% | 40.2% |
| Western Europe | 44.6% | 43.8% | 39.9% | 41.2% | 38.8% | 35.3% | 33.4% | 31.1% |
| Central, Eastern and Southern Europe | 21.9% | 22.6% | 24.0% | 24.3% | 25.3% | 28.4% | 27.8% | 25.5% |
| Rest of the World | 1.7% | 2.6% | 2.2% | 1.9% | 2.1% | 2.8% | 1.1% | 3.2% |
| Revenue compared to previous quarter (%) | | | | | | | | |
| Nordic Region | 17.4% | 3.1% | 6.9% | 0.4% | 5.0% | 2.7% | 1.9% | -9.5% |
| Western Europe | 16.4% | 24.0% | -0.9% | 10.9% | 14.6% | 21.5% | 16.9% | 4.1% |
| Central, Eastern and Southern Europe | 11.0% | 6.3% | 1.0% | 0.2% | -7.2% | 17.8% | 18.8% | -5.2% |
| Rest of the World | -25.0% | 31.8% | 22.4% | -8.2% | -20.1% | 192.6% | -62.4% | 40.7% |
| Revenue compared to the same quarter the prev. yr. (%) | | | | | | | | |
| Nordic Region | 29.8% | 16.1% | 15.7% | 10.3% | -0.6% | -1.6% | -6.5% | -2.7% |
| Western Europe | 58.7% | 56.2% | 53.0% | 80.5% | 69.4% | 91.2% | 35.2% | 11.5% |
| Central, Eastern and Southern Europe | 19.3% | -0.2% | 10.7% | 30.2% | 23.2% | 37.4% | 36.9% | 23.9% |
| Rest of the World | 11.1% | 18.4% | 163.0% | -19.2% | 23.8% | 3.9% | -26.8% | 108.3% |

Customers and deposits

| | 2018 | 2017 | 2017 | 2017 | 2017 | 2016 | 2016 | 2016 |
|---|---------|---------|---------|---------|---------|---------|---------|--------|
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Depositing customers | | | | | | | | |
| Depositing customers (number of) | 182,490 | 145,199 | 131,226 | 115,733 | 115,992 | 114,996 | 102,379 | 89,531 |
| Depositing customers growth, per quarter (%) | 25.7% | 10.6% | 13.4% | -0.2% | 0.9% | 12.3% | 14.4% | -1.0% |
| Depositing customers growth compared with prev. yr. (%) | 57.3% | 26.3% | 28.2% | 29.3% | 28.2% | 45.5% | 41.9% | 26.4% |
| New depositing customers | | | | | | | | |
| New depositing customers (number of) | 80,691 | 57,475 | 52,672 | 43,298 | 45,958 | 45,340 | 42,364 | 32,562 |
| New depositing customers, per quarter (%) | 40.4% | 9.1% | 21.6% | -5.8% | 1.4% | 7.0% | 30.1% | -9.1% |
| New depositing customers growth compared with prev. yr. (%) | 75.6% | 26.8% | 24.3% | 33.0% | 28.3% | 69.5% | 86.5% | 52.7% |
| Returning depositing customers | | | | | | | | |
| Returning depositing customers (number of) | 101,799 | 87,724 | 78,554 | 72,435 | 70,034 | 69,656 | 60,015 | 56,969 |
| Returning depositing customers growth, per quarter (%) | 16.0% | 11.7% | 8.4% | 3.4% | 0.5% | 16.1% | 5.3% | 4.3% |
| Returning depositing customers growth compared with prev. yr. (%) | 45.4% | 25.9% | 30.9% | 27.1% | 28.2% | 33.3% | 21.4% | 15.1% |
| Deposits | | | | | | | | |
| Deposits from customers (SEKm) | 1,152.8 | 982.7 | 857.6 | 808.6 | 819.5 | 816.5 | 687.2 | 601.7 |
| Deposits growth, per quarter (%) | 17.3% | 14.6% | 6.1% | -1.3% | 0.4% | 18.8% | 14.2% | 1.8% |
| Deposits growth compared with previous year (%) | 40.7% | 20.4% | 24.8% | 34.4% | 38.6% | 48.3% | 21.0% | 9.3% |

Condensed income statement Parent Company

| | 2018 | 2017 | 2017 |
|--|---------------|---------------|----------------|
| SEK '000 | Quarter 1 | Quarter 1 | Jan-Dec |
| Revenue | 1,410 | 1,350 | 5,516 |
| Expenses | -8,250 | -7,163 | -29,919 |
| EBITDA before non-recurring items | -6,840 | -5,813 | -24,403 |
| Depreciation and amortisation | -52 | -51 | -204 |
| Earnings before interest and tax (EBIT) | -6,892 | -5,864 | -24,608 |
| Financial items and appropriations | 267 | -162 | 78,315 |
| Net result for the period | -6,625 | -6,026 | 53,707 |

Net profit for the period in the Parent Company income statement is the same as comprehensive income for the period, as no items are recognised in other comprehensive income.

Condensed balance sheet Parent Company

| | 2018 | 2017 | 2017 |
|-------------------------------------|----------------|----------------|----------------|
| SEK '000 | 31 Mar | 31 Mar | 31 Dec |
| Non-current assets | 717,719 | 717,688 | 717,668 |
| Current assets | 205,930 | 9,228 | 212,417 |
| Total assets | 923,648 | 726,917 | 930,085 |
| Restricted equity | 40,849 | 35,849 | 40,849 |
| Non-restricted equity | 875,566 | 641,326 | 882,191 |
| Other liabilities | 7,232 | 49,741 | 7,044 |
| Total equity and liabilities | 923,648 | 726,917 | 930,085 |

Notes

All values in parentheses () are comparative figures for the year-earlier period unless otherwise specified. In the commentaries, the unit SEK million is used unless otherwise indicated. In the financial statements, the unit kSEK is used unless otherwise indicated.

Accounting policies

Mr Green & Co AB (publ) applies the International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board. The financial statements of the Parent Company have been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. Under RFR 2, the Parent Company is required to apply all EU-adopted IFRS and interpretations insofar as this is possible under the Annual Accounts Act and with regard to the relationship between accounting and taxation.

New accounting policies from 2018

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers apply from 1 January 2018.

Mr Green is primarily an online casino operator and revenue mainly derives from casino games, such as slot machines and traditional card games such as Black Jack, Baccarat and roulette. The average payout of funds bet in this type of game is known when the game is played. This type of game is defined as a "fixed odds game". Such games are defined as a financial instrument in accordance with IFRS 9 and thus are not encompassed by IFRS 15. Applying IFRS 9 instead of IFRS 15 does not impact revenue recognition or the financial statements since allocations and amounts are the same regardless of the policy applied. Mr Green believes that IFRS 9 is to be applied to all fixed odds games and that IFRS 15 is not applicable to this revenue. The company asserts that this is consistent with the understanding of the IASB. It has also been established that the application of IFRS 9 did not have any impact on the financial statements from 2018.

Mr Green's operations generate other types of revenue that are not of material scope or amounts but to which IFRS 15 is to be applied. Mr Green has evaluated the effects of applying IFRS 15 for these revenues and concluded that IFRS 15 has not entailed any changes to the consolidated financial statements.

Other accounting policies and bases of assessment are unchanged compared with the 2017 Annual Report.

New accounting policies from 2019

IFRS 16 Leases is to be applied from 1 January 2019. This standard requires that assets and liabilities attributable to all

leases, with a few exceptions, be recognised in the balance sheet. This approach to recognition is based on the view that the lessee has a right to use an asset during a specific period of time as well as an obligation to pay for said right. IFRS 16 replaces IAS 17 Leases and the related interpretations, IFRIC 4, SIC-15 and SIC-27. The standard is to be applied from 1 January 2019 and the company will not apply it in advance. The application of the standard has been adopted by the EU. It will primarily impact the Group's leases for premises.

Note 1 Acquisition

On 2 February 2018, Mr Green acquired Evoke Gaming, comprising the company Soft Capital Holding Limited and its subsidiaries Evoke Gaming Limited and Internet & Media Consulting Limited. The acquisition was consolidated on the acquisition date of 2 February 2018.

Acquisition analysis

| Evoke Gaming | |
|--|----------------|
| kSEK | Fair value |
| Customer contracts | 17,693 |
| Brands | 33,419 |
| Other intangible assets | 31,733 |
| Property, plant and equipment | 2,294 |
| Cash and cash equivalents | 40,801 |
| Other current assets | 4,663 |
| Deferred tax liabilities | -17,889 |
| Current liabilities | -48,712 |
| Total identified net assets | 64,002 |
| Goodwill | 45,560 |
| Total purchase consideration | 109,562 |
| Unpaid share of purchase consideration | -19,095 |

The acquired group contributed revenue of SEK 19.5 million and SEK -3.8 million to EBITDA during the quarter. If Evoke Gaming had been consolidated on 1 January 2018, it would have contributed SEK 29.8 million in revenue and SEK -10.8 million in EBITDA for the period up to 31 March 2018. No portion of the Mr Green Group's goodwill arising on this acquisition is expected to be tax deductible.

The purchase consideration was paid in cash funds of EUR 9.2 million on the acquisition date of 2 February 2018, based on a preliminary acquisition balance sheet. The acquisition balance sheet was adopted in April 2018 and entailed an additional payment of EUR 0.4 million. A maximal additional purchase consideration of EUR 1.5 million will be paid prior to 31 December 2021 subject to the fulfilment of certain conditions.

In line with applicable accounting standards, the figures above are considered to be preliminary.

Risks and uncertainties

The Group operates in an environment which involves legal and regulatory risks and where individual countries and international organisations develop regulations which affect the Group's operations. As the operations become subject to further regulations, it is likely that the Group will need to meet increased demands for compliance with laws and regulations and that it will face a higher tax burden. The Group continuously monitors the situation and adjusts its offering and its markets to manage this risk.

In view of the aforesaid, the Group's brand is not marketed in the US. Nor does the company accept players who are resident in the US, and the company has installed filters which are designed to prevent any attempts to make deposits from the US. There is also a trend in Europe towards a new way of handling betting duties as well as VAT issues that will affect the company's operations in one way or another. The company monitors ongoing developments closely, adapts its operations to potential changes in the trading environment and complies with all laws and regulations. It should be noted,

however, that situations may arise where local laws and regulations conflict with EU law, for instance, which takes precedence. In connection with such matters, the company engages the services of leading legal expertise and proceeds on the basis of the prudence principle, without relinquishing any commercial opportunities that may arise.

For an in-depth description of risks and other uncertainties, refer to the 2017 Annual Report.

Alternative performance measures

The European Securities and Markets Authority (ESMA) has issued guidelines for alternative performance measures, which must be applied by companies with securities that are listed on a regulated market in the EU. Information on the choice of alternative performance measures, how the Group uses them and how they are defined is provided in this interim report. Comparative figures for prior periods are provided based on the same principles.

In addition to those industry key performance measures that are not calculated in accordance with IFRS, as presented in

the following section, the Group provides information on performance measures related to certain costs in the income statement in relation to revenue. These performance measures are significant particularly from an industry perspective.

Alternative performance measures presented in the interim report should not be considered a replacement of IFRS terms and concepts and may not necessarily be comparable with similar performance measures of other companies.

Definitions of alternative performance measures not calculated in accordance with IFRS

| Alternative performance measures | Definition | Purpose |
|-----------------------------------|--|--|
| Return on equity | Net result before tax divided by average equity. | Applied for the purpose of analysing profitability over time, in relation to those resources which are attributable to the owners of the parent company. |
| EBIT | Earnings before net financial expense and tax. | The measure provides an illustration of profitability without regard to the corporate tax rate and independently of the company's financing structure. |
| EBIT margin | EBIT divided by revenue. | The measure is relevant for measuring operating profitability. |
| EBITDA | Earnings before depreciation, amortisation, impairment, net financial expense and tax. | The measure is relevant for creating an understanding of the company's operating activities, regardless of financing and depreciation/amortisation of non-current assets. |
| EBITDA after non-recurring items | Operating profit after non-recurring items but before depreciation, amortisation and impairment, net financial expense and tax. | The measure is relevant for creating an understanding of the company's day-to-day operations, regardless of financing and depreciation/amortisation of non-current assets, but also for providing a clear illustration of EBITDA after non-recurring items. |
| EBITDA before non-recurring items | Operating profit before non-recurring items but before depreciation, amortisation and impairment, net financial expense and tax. | The measure is relevant for creating an understanding of the company's day-to-day operations, regardless of financing and depreciation/amortisation of non-current assets, but also for providing a clear illustration of EBITDA before non-recurring items in order to enable comparisons of the underlying operating activities. |
| EBITDA margin | EBITDA divided by revenue. | The measure is relevant for creating an understanding of operating profitability and gives stakeholders a clearer picture of the company's core profitability, as it excludes depreciation/amortisation. |
| Equity per share | Equity divided by the number of shares outstanding at the end of the period. | The ratio measures the company's net value per share and shows if the company is increasing the shareholders' capital over time. |

| | | |
|---|---|--|
| Free cash flow per share | Cash flow from operating activities less cash flow from investing activities divided by the average number of outstanding shares during the period. | The measure illustrates the total cash flow from operating and investing activities. |
| Cash flow from operating activities per share | Cash flow from operating activities per average number of outstanding shares during the period. | The ratio measures the cash flow generated by the company before capital investments and cash flows attributable to the company's financing. |
| Non-recurring items | Refers to items which are of a non-recurring nature or not directly linked to the Group's normal operations, which means that the recognition of these items together with other items in the income statement would impair comparability with other periods and make it harder for an outside party to assess the Group's performance. | These items are illustrated to enable comparisons of the underlying operating activities. |
| Equity/assets ratio | Equity divided by total assets. | The measure is an indicator of the company's leverage for financing of the company. |

Definitions of industry-related performance measures not calculated in accordance with IFRS

| Alternative performance measures | Definition | Purpose |
|---|--|---|
| Depositing customers | Customers who made a deposit during the period. | A measure that is a driver of revenue and relevant from an industry practice and stakeholder perspective. |
| Deposits | Money deposited in customer accounts. | A measure that is a driver of revenue and relevant from an industry practice and stakeholder perspective. |
| New depositing customers | Customers making their first deposit during the period. | A measure that is a driver of both marketing costs and revenue and relevant from an industry practice and stakeholder perspective. |
| Compound Annual Growth Rate (CAGR) | The average annual growth rate. The performance measure illustrates growth over a given period, for example, five years. | The performance measure is relevant given that it measures growth under the assumption of a consistent annual rate of growth and thus provides a balanced rate of growth over the specified period. |
| Returning depositing customers | Customers making a deposit during the period but who made their first deposit in an earlier period. | A measure that is a driver of revenue and relevant from an industry practice and stakeholder perspective. |